



Testimony of Deborah Chernoff, Public Policy Director

The New England Health Care Employees Union, District 1199, SEIU

Before the Human Services Committee

*Opposing sections of: HB 6846—AA IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS*

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Good afternoon, Senator Moore, Representative Abercrombie and members of the Human Services Committee. For the record, my name is Deborah Chernoff, Public Policy Director for District 1199, representing 25,000 health care workers in Connecticut.

I'm speaking in opposition to several sections of the bill implementing budget recommendations for Human Services Programs. These changes would have devastating impacts on the lives of health care workers, their families and communities and the people they care for.

### **Section 10 and Section 11 – Removing Rate Increases for Nursing Homes and Intermediate Care Facilities Hurts Caregivers**

These sections remove scheduled inflation cost adjustments in the current services budget for nursing homes and Intermediate Care Facilities (for individuals with intellectual disabilities).

This Committee heard earlier testimony from workers about years of no wage increases while paying a growing share of their health insurance costs, and from providers about the failure of current Medicaid rates to cover the actual cost of providing care,. Eliminating critical adjustments for inflation at this time will make a bad situation untenable.

In nursing homes, on average 70% of all residents are on Medicaid and 70% of the costs of providing care are labor costs. Since turning the heat down this winter isn't an option, **operators will turn to slashing labor costs: freezing or cutting wages and benefits, reducing work hours and rounds of layoffs. There is nowhere else to cut.**

Eliminating scheduled cost of living increases, combined with budget recommendations that would further slash rates for most Medicaid providers, will hit workers hard. They have nothing to give back. In its current form, under HB 6846, the poor will get even poorer.

Nursing home workers are mostly women, from communities of color. **A typical 1199 nursing home caregiver has been working at her currently facility for 10 years. She can only get about 25 hours per week of work. She's 46 years old, a mother – or grandmother – raising children. And close to 50% of Connecticut nursing home workers (excluding nurses) make less than \$15.00 an hour.**

Try to walk in the shoes of a C.N.A. at Bloomfield Health Care Center or Village Green of Waterbury or St. Joseph's Manor in Trumbull. At \$11.50 an hour, even if you're lucky enough to have a full-time schedule, how do you support your family now on less than \$24,000 a year? What do you do when your administrator has to cut your schedule to 32 or 24 hours per week? And what do the residents you take care of do when you're not there one or two shifts each week to answer their call bell? That's the on-the-ground reality behind these paper cost cuts.

Make no mistake – **this isn't cost-cutting, it's cost-shifting**. Direct care workers in nursing homes, or agencies for people with disabilities with the people they serve and support will bear the costs of eliminating scheduled rate increases and further eroding Medicaid provider rates. Some nursing homes will simply close – as we speak, Marshall Lane Manor in Derby, which is not a union facility, has announced imminent closure because they cannot survive financially, forcing 100 residents to find a new home and destroying more than 100 jobs. We have more than 50 collective bargaining agreements with both nursing homes and community provider agencies that expire this spring. Some of our members have seen no wage increases for several years – now they will be facing cuts and layoffs at a time when an aging population will need their support and care more than ever.

### Section 23—Risky for Urban Communities

This section of the bill would create a new mechanism for closing a nursing home and then transferring some of those beds to another facility. Our concern is about the impact this change could have on facilities in urban locations, such as Park Place in Hartford, Advanced Nursing and Rehab in New Haven and Bridgeport Manor – with higher-than-average Medicaid populations.

Potentially, this statutory change could create an incentive for operators to close in these locations and open facilities in suburban areas where they are more likely to attract more lucrative short-term rehabilitation, Medicare and private-pay residents.

These urban populations:

- Already have the fewest choices about long-term care;
- Often lack housing to support getting care at home;
- Have families likely to need easy access to public transportation in order to visit;
- and

- Live in communities that would be devastated by significant job loss due to closure of city facilities

We are therefore raising this potential red flag for this Committee’s consideration.

**Section 18 – Restructuring the State-Funded Connecticut Home Care Program**  
As a matter of public policy, freezing intake for Category 1 and increasing cost-sharing for this program for the elderly is the wrong direction for our state, and **we strongly oppose these changes to the program.**

Connecticut has made a commitment to expand home-and-community based services and rebalance long-term care. As caregivers, we know **making access and affordability to these services more difficult and costly undermines both the philosophy and the goals of this program in particular and the state’s rebalancing efforts in general.** I am sure you will hear a great deal from advocates and participants in this program about the impact on lives and choices. We add our voices to theirs in objecting to changes that will impede the expansion of home-based care.

**Sections 20 and 21 – Reducing the Personal Needs Allowance for Nursing Home Residents**

As caregivers, nursing home workers are devoted to supporting the dignity and independence of residents who may have lost everything else – their homes, their families and their health. The Personal Needs Allowance (PNA) gives nursing home residents the opportunity to purchase the few small items they may want to feel like “themselves.” This budget cut is only a small savings to the state – but a huge cost for nursing home residents.

Even with the current PNA of \$60, the Committee has heard testimony from our members about going out to purchase, on the worker’s limited wages, a favorite brand of lotion for a resident or some other item that will make the facility feel like more of a home. That happens every day now—before this proposed cut. Read nursing home resident Brian Capshaw’s eloquent op-ed in the February 25 edition of the Connecticut Mirror (online at <http://ctmirror.org/2015/02/25/op-ed-nursing-home-residents-clipped-again-by-malloys-budget-proposal>) if you want to really understand what it will be like for the residents to have this small measure of dignity and independence clipped.

We add our voices to theirs in opposing these sections of the budget implementer before you today.